

**SOUTH CAROLINA CODIFICATION OF LAWS  
AND LEGISLATIVE COUNCIL**

**COLUMBIA, SOUTH CAROLINA**

**STATE AUDITOR'S REPORT**

**JUNE 30, 2019**



## Independent Accountant's Report on Applying Agreed-Upon Procedures

June 30, 2020

Members of the General Assembly  
and  
Members of the Legislative Council  
South Carolina Codification of Laws and Legislative Council  
Columbia, South Carolina

We have performed the procedures described in Attachment 1, which were agreed to by the management of the South Carolina Codification of Laws and Legislative Council (the Council), on the systems, processes and behaviors related to financial activity of the Council for the fiscal year ended June 30, 2019. The Council's management is responsible for the systems, processes and behaviors related to financial activity. The sufficiency of these procedures is solely the responsibility of the specified parties in this report. Consequently, we make no representation regarding the sufficiency of the procedures described in Attachment 1 either for the purpose for which the agreed-upon procedures report has been requested or for any other purpose.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be an opinion or conclusion, respectively, on the systems, processes and behaviors related to financial activity of the Council. Accordingly, we do not express an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The concept of materiality does not apply to findings to be reported in an agreed-upon procedures engagement. Therefore, all findings from the application of the agreed-upon procedures must be reported unless the definition of materiality is agreed to by the specified parties. Management of the Council has agreed that the following deficiencies will not be included in the State Auditor's Report on Applying Agreed-Upon Procedures:

- Errors of less than \$1,000 related to cash receipts and non-payroll cash disbursements transactions.
- Errors of less than \$1,000 related to reporting packages.

This report is intended solely for the information and use of General Assembly and of the governing body and management of the South Carolina Codification of Laws and Legislative Council and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

George L. Kennedy, III, CPA  
State Auditor

**South Carolina Office of the State Auditor**

**Agreed - Upon Procedures Related to the South Carolina Codification of Laws and Legislative Council (A15)**

**Cash Disbursements/Non-Payroll Expenditures**

1. Haphazardly select ten non-payroll disbursements and inspect supporting documentation to determine:
  - The transaction is properly completed as required by Council procedures; invoice(s) agree(s) with general ledger as to vendor, amount, number, and date.
  - All supporting documents and approvals required by Council procedures are present and agree with the invoice.
  - The transaction is a bona fide expenditure of the Council.
  - The transaction is properly classified in the general ledger.
  - Disbursement complied with applicable State laws, rules, and regulations including the State Consolidated Procurement Code, state travel regulations etc.
  - Disbursements are recorded in the proper fiscal year.
  - Clerical accuracy / confirm proper sales/use tax.

We found no exceptions as a result of the procedures.

**Payroll**

2. Compare the percentage change in personal service expenditures between the current year and prior year to the percentage change in employer contributions expenditures between the current year and prior year. Obtain an explanation of changes greater than 10% when the proportion of employer contribution to personal service expenditures also varies at a rate greater than 5% between fiscal years.
3. Haphazardly select five employees who terminated employment during the fiscal year to determine if they were removed from the payroll in accordance with the Council's policies and procedures, that the employee's last pay check was properly calculated and that the employee's leave payout was properly calculated in accordance with applicable State law.
4. Haphazardly select five employees hired during the fiscal year to determine if they were added to the payroll in accordance with the Council's policies and procedures and that their first pay check was properly calculated in accordance with applicable State law.

We found no exceptions as a result of the procedures.

**Journal Entries and Transfers**

5. Inspect the sole journal entry for the fiscal year to:
  - Trace postings to the general ledger, confirming amounts agree with supporting documentation.
  - Confirm transaction is properly approved.
  - Inspect supporting documentation to confirm the purpose of the transaction.

We found no exceptions as a result of the procedures.

## **Reporting Packages**

6. Obtain copies of fiscal year end reporting packages submitted to the Office of the State Comptroller General (CG). Inspect the Master Reporting Package Checklist to determine the appropriate reporting packages were submitted by the due date established by the CG's Reporting Policies and Procedures Manual.
7. In addition to the procedure above, perform the following:
  - Capital Assets Reporting Package

Determine if responses and reported amounts are reasonable/accurate based on inspection of Council provided supporting documentation and agree amounts reported on the 'Non-South Carolina Enterprise Information System (SCEIS) Agencies Only – Capital Assets Summary Report' to the Council's capital assets worksheet.
  - Operating Leases Reporting Package

Confirm that the Council submitted copies of all leases to the CG in accordance with the CG's Reporting Package Instructions.
  - Subsequent Events Questionnaire

Determine if responses are reasonable/accurate and any required supplemental information was properly prepared and submitted based on inspection of the SCEIS general ledger and/or Council prepared records.

We found no exceptions as a result of the procedures.

## **Assets and Personal Property**

8. Select the sole capital asset retirement and inspect supporting documentation and the SCEIS Asset History Sheet to determine that the asset was approved for removal, and that the asset was properly removed from the Council's books/general ledger in accordance with the CG's Reporting Policies and Procedures Manual.
9. Confirm that an inventory of Council property, excluding expendables, was completed during the fiscal year as required by South Carolina Code of Laws Section 10-1-140.

We found no exceptions as a result of the procedures.

## **Judicial Council Bank Account**

10. Inquire of management regarding the status of the Judicial Council Bank Account and management's requests to use or return the funds to the State General Fund.

## **Observation**

Per discussion with management and inspection of SCEIS, we observed the remaining balance of \$8,127 was returned to the State General Fund on January 17, 2020 and the bank account was closed.

## **Appropriation Act / Council-Specific Provisos**

11. Confirm compliance with the selected agreed-upon Council-specific state provisos by inquiring with management and observing supporting documentation, where applicable.

We found no exceptions as a result of the procedures.

## **Status of Prior Findings**

12. Through inquiry and inspection, determine if the Council has taken appropriate corrective action on the findings reported during the engagement for the prior fiscal year.

We found no exceptions as a result of the procedures.